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TOWN OF JEROME, ARIZONA

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MINUTES

SPECIAL MEETING OF THE JEROME TOWN COUNCIL
JEROME CIVIC CENTER - 600 CLARK STREET - COUNCIL CHAMBERS
WEDNESDAY, AUGUST 26, 2015 AT 3:30 P.M.

ITEM #1:	CALL TO ORDER/ROLL CALL Mayor/Chairperson to call meeting to order. Town Clerk to call and record the roll. <i>Mayor Currier called the meeting to order at 3:30 p.m.</i> <i>Town Manager/Clerk Candace Gallagher called roll. Present were Mayor Currier, Vice Mayor Freund, and Councilmembers Stewart, Barber and Vander Horst.</i> <i>Other staff present were Joni Savage, Deputy Clerk, and Rebecca Cretti, Finance Director.</i>
ITEM #2: 3:31	2013-14 AUDIT Jim Usevitch and/or Matt Bingham of Colby & Powell, PLC, will present the Town's audit for the fiscal year ended June 30, 2014. Following the presentation, Council may vote to approve the audit. <i>Matt Bingham was present and presented the Town's audit for FY2014. He explained that the audit is accomplished using two sets of standards: Generally Accepted Auditing Standards and, because we receive federal monies through grants, Government Auditing Standards. It would be impossible to audit every transaction, therefore, they pick up on riskier things and gain enough evidence to form their opinion.</i> <i>There were three findings in this audit:</i> <i>1. Item 13-01 - Accounting policies and procedures manual: "Over the years, the Town has incorporated policies and procedures in maintaining internal controls and effective procedures over the accounting processes; however, current internal controls and procedures have not been documented in formal written procedures. This could result in inefficiencies through common usage and during times of employee turnover.... We recommend that policies and procedures be in writing, to avoid the acceptance of weak procedures established through common usage and to assist in maintaining procedures at times of employee turnover.... Management agrees with the audit finding and, over the past year, has been implementing a written policies and procedures manual."</i> <i>Mayor Currier said that he would like a date certain for completion of this. Ms. Gallagher noted that Ms. Savage, when she was working in the finance office, had been working on documenting daily procedures, and Ms. Cretti said that this is only a small part of it. Ms. Gallagher asked Ms. Cretti when the full document could be complete, and she replied that she needs Council to provide input on what they want to see in the manual.</i> <i>Ms. Gallagher asked Mr. Bingham if he is looking for documentation of day-to-day procedures. He replied that they are looking for an overall picture as well as the day-to-day procedures. "There should be enough information that, if management left one day, someone else could come in and continue," he said. The Mayor agreed, and said that this is what Council wants.</i> <i>Ms. Gallagher suggested that Ms. Cretti work on this and bring any questions during the</i>



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Jerome Town Hall Located at 600 Clark Street, Jerome Civic Center

process back to Council. Mayor Currier expressed his frustration that this has taken so long, and said that Ms. Cretti should not be waiting for the Council. Councilmember Vander Horst offered to work with her to get it done.

Ms. Cretti said again that she would like some clarity regarding what information the Council wants included and how it's going to be done. She asked about utilities and whether we would be moving to a collections policy. Mayor Currier said, "We're getting sidetracked," and asked Ms. Cretti to make a list of her questions. He added that he feels this policy should come from staff, and not from Council.

2. Item 13-02 - Capital assets: "The Town does not inventory significant capital assets on a regular basis. Most capital assets are never physically inventoried. By inventorying capital assets on a regular basis, it will help to detect the loss or unauthorized use of valuable Town property, help determine accurate amounts and values of insurable assets, and assist in planning for capital expenditures.... We recommend that periodic physical counts of property, especially removable equipment items, be taken and compared to the detailed capital asset ledgers.... Management agrees with the audit finding and is in the process of implementing procedures to regularly inventory capital assets."

3. Item 14-01- Segregation of duties: "Fire, rescue, and EMS services for non-residents are billed, recorded, and the cash collections are all done by the same individual.... It appears that, due to the size of the Town and convenience, the Town has allowed for these functions to be performed by the same person. Allowing these functions to be controlled by the same person increases the risk that errors or misappropriation could occur and go undetected.... We recommend that management segregate the duties of billing, recording, and cash collections of fire, rescue, and EMS services to the greatest extent possible. One option would be to centralize these functions with the accounting department.... Management agrees with the audit finding will implement procedures for the segregation of duties of the fire, rescue, and EMS services."

After reviewing the audit findings, Mr. Bingham reviewed the government-wide financial statements and fund financial statements. He referenced the Statement of Activities and explained that the "Net Position" figure is a good indicator of the Town's financial health. Over the past three years that Colby & Powell has done our audit, he said, everything has increased each year, except that in 2014, there was a bit of a drop due to the settlement with the Grand Hotel. He then directed them to page six of the document, and noted that the General Fund Balance is \$504,368.00 for 2014. Basically, he said, that number is how much the Town has to spend legally. The reason for the dip in 2014, he added, was the settlement with the Grand Hotel.

Councilmember Vander Horst asked if it is common for a small municipality not to file an MD&A (Management's Discussion and Analysis). Mr. Bingham replied, "Yes, that is pretty typical." Basically, he said, that is a section written by management that prefaces the financial statements. It includes comparisons between the current year and the prior year, and any outlook the manager might have.

Mayor Currier asked Mr. Bingham if he had looked at our Public Safety Retirement Fund to see if it is fully funded. He confirmed that he had, and said that both the actual pension and the elected benefits are 150% funded, which is good. The Town does not participate in the ASRS system, which covers non-public safety employees.

Councilmember Vander Horst noted that our Public Safety Retirement Fund went from 180% funded to 150% funded over the past three years, and asked if we should be concerned about that. Mr. Bingham explained that we could obtain the actuarial report for Jerome from the PSPRS website. Ms. Gallagher will obtain that and provide it to Council.

Councilmember Vander Horst noted that one of the purposes of the audit is to correct things that need to be corrected, and asked if it could be ready sooner than a year later – say, by December or January. Mr. Bingham said that, typically, towns are ready to start the audit three months after the end of the fiscal year. Ms. Gallagher said that this would depend on how soon Ms. Cretti can be ready for them. Ms. Cretti said that her goal is to have the auditors here in November. Mayor Currier suggested a soft target of January for the audit,

	and thanked Mr. Bingham for their work. Ms. Cretti left the meeting at this time.
ITEM #3: 3:52	<p>FREEPORT-MCMORAN COPPER AND GOLD FOUNDATION: SOCIAL INVESTMENT PROGRAM FUNDING</p> <p>Council will review possible projects for our annual funding request to Freeport-McMoran Copper and Gold Foundation through their Social Investment program, and may direct staff in this regard.</p> <p><i>Ms. Gallagher stated that, in the past, the Mayor and staff have decided on the projects for the annual funding request to Freeport-McMoRan. This year, a Councilmember requested that it come before Council.</i></p> <p><i>Ms. Gallagher then proceeded to review a report she had prepared, stating that Freeport-McMoran Copper and Gold Foundation provides an annual funding opportunity through their Social Investment Program. In the past, the Town has received funding through this program for third floor improvements at the Civic Center, Middle Park improvements, AEDs and EMT training, the sidewalk from the 300 level parking lot, the horseshoe pit/leaning wall project, and repairs to the retaining wall and steps at Town Hall to restore the access from School Street. Awards generally range between \$20,000 and \$30,000. She explained that a quick decision must be made, as the grant application deadline is Sunday, August 30.</i></p> <p><i>Ms. Gallagher's report stated that, according to the Foundation, eligible projects should:</i></p> <ul style="list-style-type: none"> • <i>Focus on initiatives/outcomes that will be sustainable beyond the life of Freeport-McMoRan</i> • <i>Benefit the community as a whole and not a single organization or individual</i> • <i>Have a clear purpose and operate transparently based on a demonstrated need for the proposed project</i> • <i>Have an impact that can be evaluated and measured.</i> • <i>Address at least one of the following priorities:</i> <ul style="list-style-type: none"> ○ <i>Education & Training</i> ○ <i>Economic & Community Development</i> ○ <i>Community Safety, Health & Wellness</i> ○ <i>Environment</i> ○ <i>Cultural Heritage & the Arts</i> <p><i>All of the above must be documented and fully explained in the grant application.</i></p> <p><i>She presented several projects that had been suggested by staff, the Mayor and the Vice Mayor, and stressed the importance of choosing a project that is simple to describe, clearly meets the listed criteria, and can be accomplished in a timely manner (without requiring approvals from our Boards or outside agencies).</i></p> <p><i>The projects presented in the Manager's report for Council's consideration, with her comments, were:</i></p> <ol style="list-style-type: none"> 1. Town Hall parking lot improvements: <i>This project would consist of removing the rubble near the edge of the lot (above the closed off steps), building a higher wall there using gabion baskets, and creating more parking (where the rubble is now).</i> <i>Manager's comment: "This is likely to be a more expensive project than what this grant would provide. In addition, it would depend upon the completion of another project (the School Street access project), and I feel it is important, for the sake of future funding, to complete whatever we project we decide upon in a timely manner. Not recommended for this funding round, but something to consider in the future once the School Street work is complete."</i> 2. Installation of concrete curbs and gutters for the parking areas above the middle and lower parks. <i>This project would replace the railroad ties in the parking areas above the lower park with concrete curbs and gutters, which would provide a more</i>

effective barrier to prevent vehicles from driving over the edge, and channel stormwater away from the slide area into the street and storm sewer system, preventing further erosion. A rough cost estimate would be \$40 - \$50 per linear foot installed, which would allow us to install 400 to 600 linear feet of curbing, depending on the amount of the award.

Manager's comment: "I like this project for a few reasons: it is simple, can be accomplished quickly, and the scope of it can be tailored to fit within the grant amount. Recommended for Council's consideration."

3. **Conversion of Old Town Yard to parking area.** This project would involve removal of the materials remaining on this site, demolition of the old sheds there (and permission from DRB for same), building a retaining wall to protect from falling rocks above, installation of a sturdy railing around the perimeter, installation of parking blocks and painting the spaces. It will require coordination with the adjoining property owner.

Manager's comment: "Because we must first deal with the demolition (and permitting process) of the old sheds, and because the project may well be more costly than what this grant could provide, I would not recommend it for this funding round. However, I feel that, once we have dealt with the sheds and have a solid plan for the work that will be needed for this conversion, and the cost associated with it, it may be a candidate for a future funding opportunity."

4. **Repairs to Civic Center.** This project could involve anything from installation of "mini splits" in the three downstairs rental spaces, to repairs to the concrete pillars in front, to energy efficiency improvements for our windows.

Manager's comment: "It would be great to accomplish any or all of this work; however the mini splits alone would not take full advantage of the grant opportunity, and other repairs would likely be more costly. In addition, if window replacement is considered, there may be concerns regarding the historic integrity of the building. Also, because aspects of this project could be construed as routine maintenance, I am not sure how it would be received by the Foundation. Not recommended."

5. **Solar parking canopies at 300 Level parking lot.** Energy generated could be used at the Public Works yard and perhaps the fire station.

Manager's comment: "This is a wonderful idea, but requires more planning and a lot more money than what would be available through this grant. Not recommended for this funding, but definitely something to look into. There have been very creative arrangements made for the financing of solar installations, and I'll be happy, at Council's direction, to do some research."

6. **Landscaping of area between Main Street and Middle Park.**

Manager's comment: "This is another project that I like because of its central visibility, impact and simplicity. At this point, however, I am not certain if it would take full advantage of the funding available, and if selected, we would need to develop a quick (within the next 12 hours!) landscaping plan and fairly accurate cost estimate. In order to do that properly, it would be better to devote more time to it. If Council likes the idea, we could consider it for a future year's application. Not recommended for this year's funding round."

7. **Installation of a sheltered seating area at the 300 Level parking lot.** This would go hand in hand with other Freeport-funded projects (the parking lot itself and the sidewalk leading from it). We could install something fairly nice within the grant budget (possibly even including solar panels on the roof to provide electricity for a cell phone charging station, or a copper roof), and it would add appeal to and encourage the use of that lot by our visitors.

Manager's comment: "I like this project because it is simple, easy to accomplish quickly, fits the listed criteria and fits in with other Freeport-funded projects. I think it has a good chance of success. Recommended for Council's consideration."

8. **Funding toward the installation of a gazebo at Middle Park.** There is a grassroots

movement recently afoot to fund and install a 12' gazebo at Middle Park. These funds could go toward that effort.

Manager's comment: "This could be something to consider for future years' funding, but it may be premature to do that this year. The gazebo project would first require approval by DRB, and there is more planning needed before it is ready for prime time. Not recommended for this year, but a possible consideration for future years, especially if the initiative receives strong public participation and support."

- 9. Repairs to the community steps/seating.** This project would make needed repairs to the concrete and stone community steps located in the center of Town, which have fallen into a state of disrepair due to their age and construction. Significant deterioration has appeared within the last decade, including loss of mortar in the stone walls, cracking in the concrete caps and shifting of some of the stones used to build the structure. This project would include a concrete overlay over the seating area, tuck-pointing of the stone work, including replacement of non-original stones, water sealing the surface area, and demolition and removal of the old materials. The total project cost is estimated at between \$16,000 and \$17,000.

Manager's comment: "This project fits nicely into the criteria listed by the Foundation. We have applied once before (to the Tribe) for funding for this, so some of the narrative and the project budget is ready to go, which helps with the application process. Maintaining these steps is important to prevent their further deterioration, and in the interest of public safety. I have heard concerns expressed regarding the historic integrity of the steps and that this work could pose a threat to that. Perhaps there is a way that the work could be accomplished in a sensitive manner that would not threaten that integrity. If so, recommended for Council's consideration."

She summarized that her recommendations for Council's consideration, in order of preference, are projects #7, #9 and #2.

Councilmember Stewart added two additional options to the discussion: #10 – Add money to the horseshoe pit project, which he would like to see completed before we start another project; and #11 – purchasing cement benches and picnic tables for the 300 Level parking area and to replace those in our parks

Mayor Currier suggested that Council members rank their preferences by item number.

Councilmember Vander Horst commented that, while he realizes it would not be possible to do it this year, he would like to see "a fix to the toilet situation." He believes that the Town could use some additional restrooms. Mayor Currier agreed that this is a need, and that this was not the time to address it.

Vice Mayor Freund asked if this funding is available every year. Ms. Gallagher said that it has been, and added, "but you never know when it might dry up."

Vice Mayor Freund suggested using one of the unused studios in Town Hall to house a Jerome Copper workshop. It would be a communal place, he said, where copper could be explored as an arts and crafts medium. Mayor Currier said that he appreciated Mr. Freund's effort, and suggested that it might be something to consider in the future.

With respect to Item #2, Councilmember Stewart commented that, in his opinion, it should not be one continuous curb, but done in sections.

Vice Mayor Freund suggested also that we might "begin to nibble at our drainage issues." Mayor Currier agreed, and said that Council could look at that when future funding opportunities arise.

At this time, Council took a few minutes to rate the projects, and announced their first choices: Councilmember Vander Horst - #8; Councilmember Barber - #10; Mayor Currier - #2; Vice Mayor Freund - #2; Councilmember Stewart - #'s 10 and 11.

Vice Mayor Freund said that he also liked Councilmember Stewart's suggestion regarding the purchase of concrete benches and picnic tables (#11).

Ms. Gallagher wondered if the benches would require DRB approval, and added that she

	<p>would want to be sure that we can spend all of the money that may be available to us. She noted that the grant application must be very specific with respect to how the money will be spent. If proceeding with that option, the application should include information regarding where the items would be placed, and their cost.</p> <p>There was some discussion regarding whether we would need Design Review Board approval to place the benches and tables. Councilmember Vander Horst mentioned that the Humane Society had to go before the Design Review Board for approval on their dog waste stations. Councilmember Stewart commented that they would be similar to the already existing benches. Mayor Currier commented that he had looked at the dog stations as pieces of art, "and to stick sculptures all around town, not on your property, you would need DRB approval."</p> <p>Council noted their second choices: Councilmember Stewart - #8; Vice Mayor Freund - #11. Mayor Currier - #1; Councilmember Barber #1; Councilmember Vander Horst #6.</p> <p>Councilmember Stewart elaborated on his plan, saying that he would like a bench across from the visitors' center, one in the lower park and one at the basketball courts. He would like to see two tables at the horseshoe pit and an area to sit at the 300 level. He estimated that the cost of the tables alone would be about \$12,000.</p> <p>Councilmembers noted their third choices: Mayor Currier - #6; Councilmember Stewart - #3; Vice Mayor Freund - #7; Councilmember Barber - #7; Councilmember Vander Horst - #9. Mr. Vander Horst commented that all of the projects are appropriate, and he would be okay with whatever Council chooses.</p> <p>Mayor Currier summarized that the majority of Council seems to be in favor of the the park benches. Councilmember Stewart commented that he believes this would be the easiest project to prepare an application for, and offered his assistance to Ms. Gallagher.</p> <p>Ms. Gallagher said that she will need to know the quantity of the benches and picnic tables, and their planned locations. Councilmember Stewart said that he could have that to her by the next day.</p>
<p>ITEM #4: 4:24</p>	<p>LEANING WALL</p> <p>Council will review the latest developments with the contract for stabilization of the leaning wall and determine how best to proceed. The contractor has advised that his bid of \$32,750 did not include removal of material behind the wall, as specified in the engineering documents.</p> <p>Ms. Gallagher explained that this item was on the agenda because the Contractor didn't realize that he was going to have to do anything behind the wall; however, he has since signed the contract as written.</p> <p>Councilmember Stewart said, "I already removed three-quarters of the stump. I will remove the rest of it and load it in my truck. I met with the concrete contractor today at the site and we looked at the wall. The contractor had no issue with the plans but he did have an issue with the stump, so I will take care of that. The contractor will remove the big rocks wedged up against that and stack them along the side. He will work with Barry Wolstencroft on the fill material to fill the void where the stump and rocks were. It has to be a certain spec. That is a couple of wheelbarrows thrown from up above."</p> <p>Mr. Stewart went on to say, "The options that we talked about were the capping options that it says in the plan. A concrete cap on it will have ... where the cells are on the plans, it shows rebar going through the cells and the concrete cap is basically down in the voids of the wall. There is one section that the cell is missing, so he will have a form that comes up and the top piece of concrete will be showing."</p> <p>Council discussed using an exposed aggregate for the buttresses. Mr. Stewart said that the cost for that would be around \$2,200 to \$2,300. The cost for any color finish would be about \$600.</p> <p>Mayor Currier asked what the base contract price was. Ms. Gallagher told him it was \$32,750. The Mayor asked how much we have available. Ms. Gallagher replied that the grant was \$30,000 and we added \$10,000 in the budget. She noted that about \$12,000 has already</p>

	<p>been spent on engineering.</p> <p>Councilmember Vander Horst stated that this is running us around \$47,000.</p> <p>Discussion ensued regarding whether to request exposed aggregate or an added color. Mayor Currier and Councilmember Vander Horst said that they were fine with plain concrete. Vice Mayor Freund said that he would lobby for color, because he believes the color contrast is very important – otherwise, it will look unfinished.</p> <p>Councilmember Stewart said that the contractor can't begin work for another week, so there is time to decide. He asked if that decision would have to go to the Design Review Board. Ms. Gallagher said she did not believe it would, and asked the Mayor for his opinion. He concurred that it would not, and said that he would be willing to leave the choice of color or exposed aggregate to Ms. Gallagher. She requested that Council make that decision.</p> <p>Councilmember Stewart said that the exposed aggregate is best, but it is also an additional \$2,000. Councilmember Vander Horst said that we are already \$15,000 over budget on this project.</p> <p>Councilmember Stewart mentioned that some people have offered to have fundraisers for this project, and said that people might be more inclined to contribute if they saw us working on it. He said that he did not see a problem spending an additional \$2,300 for exposed aggregate, he said, and feels that we should expect that we'll get the money. He added that he is going to try to have the railroad ties donated.</p> <p>Councilmember Vander Horst stated that he strongly disagrees with spending more money for the exposed aggregate. "We have declared an emergency where an emergency doesn't exist," he said. "Now we are going to spend more money... I strongly disagree." He added that the project should have gone to bid.</p> <p>Mayor Currier called for a motion.</p> <p>Motion was made by Councilmember Stewart to do the buttresses in an exposed aggregate historic look. It was seconded by Vice Mayor Freund. Motion carried, 3-2.</p> <p>Ms. Gallagher asked if Council would have an objection to her looking into an internet funding mechanism. Mayor Currier said that would be fine, and noted that it could include funding for repair of the lower wall.</p>
ITEM #4B:	<p>ADJOURNMENT</p> <p>Upon motion by Councilmember Vander Horst seconded by Vice Mayor Freund and unanimously approved, the meeting was adjourned at 4:40 p.m.</p>

Edited by Town Manager/Clerk Candace Gallagher from minutes taken and transcribed by Deputy Town Clerk Joni Savage.

APPROVE:

ATTEST:

Lew Currier, Mayor

Candace B. Gallagher, CMC, Town Manager/Clerk

Date: _____